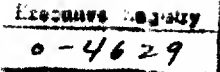*OGC Has Reviewed* **CONFIDENTIAL**

Executive

23 May 1949

General Counsel

Requisitioning Procedure

1. Reference is made to the memorandum of 20 May 1949 to the Deputy Executive from the Services Officer on the subject of requisitioning procedure.

2. The Services Officer raises the question as to his authority to procure through negotiation rather than through the advertising processes required by R.S. 3709. Normally, procurement is effected out of unvouchered funds only for security reasons. Obviously such procurement cannot be subject to normal advertising and it has been held by us as inherent in ▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮▮ **25X1A** Regulations that, where the security aspects are established, the Services Officer may negotiate with the manufacturer or producer. Where the procurement is requested from unvouchered funds for reasons of great urgency, but for materials which do not involve security, there is no clear authority to negotiate under existing legislation. In the event of the passage of the CIA legislation, such urgent procurement will be done on vouchered funds where no security is involved.

3. We feel that at the present the Services Officer is without clear authority to negotiate where no security exists, but that the Director may authorize the use of unvouchered funds to achieve the desired result. Section **25X1A** ▮▮▮▮▮▮ authorizes the use of confidential funds where required by operational necessity. We suggest that the Director clarify this authority by some such wording as follows:

"This authorization is for the purpose of:

(1) procuring items required for CIA operations, but which are prohibited in normal government procurement by law or regulation; and

(2) the most expeditious means of procurement available, including direct negotiation of contracts, where urgency is indicated by the Assistant Director or Staff Chief concerned. In case of difference of opinion on the question of urgency, the matter will be referred to the Executive."

LAWRENCE R. HOUSTON

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